

Securing MISSOURI'S FUTURE

Budget Priorities
Fiscal Year 2026

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Mike Kehoe
GOVERNOR
STATE OF MISSOURI

January 28, 2025

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

It is the honor of our lifetime for Claudia and me to serve as Missouri's First Lady and Governor. As we have traveled across this great state, we met with countless hardworking Missourians—parents, small business owners, teachers, law enforcement officers, farmers, and others—who shared their hopes for their families and communities. They care about safer streets, a quality education for their kids, access to affordable child care, and economic opportunities that allow them to secure a better future for themselves and their loved ones.

Our crime plan – Safer Missouri – includes increased funding for law enforcement recruitment and retention efforts, as well as grant funding to ensure our men and women in blue have the equipment and training they need to keep our streets safe. We will bolster regional anti-crime task forces and partner with the federal government to enforce immigration laws in an effort to secure our state and stop the plight of human and fentanyl trafficking in Missouri communities. We will improve school safety. And, we are asking the General Assembly to increase oversight and accountability of the St. Louis Metropolitan Police Department. No more should our nation's promising youth have their lives stolen due to lawlessness in our state's largest metropolitan area. It's one thing for elected officials to say they support law enforcement and strengthening public safety, but I hope you will join me showing we support law enforcement and the businesses investing in our state and creating jobs with real action.

This year, we will prioritize improvements and expansions in early childhood programs helping ensure that we are meeting the demands of both Missouri families and our workforce. Our budget priorities include a historic \$200 million funding increase of the K-12 Foundation Formula – the largest year-over-year increase since the formula was established over 20 years ago, fully funds school transportation, and includes a historic \$50 million investment to expand school choice across Missouri.

Additionally, our budget will support the families by improving health care access and outcomes. We will fund much-needed and well-earned pay increases for our state team members. We will support Missouri's agriculture producers. And finally, we are committed to developing a comprehensive, sustainable plan to eliminate Missouri's income tax once and for all.

By working together, we can pair smart policies with our promise of limited government to unleash freedom for all and safeguard the next generation's future. I firmly believe that these are the essential priorities to secure an even safer, stronger, and more prosperous Missouri.

Let's get to work,

A handwritten signature in black ink that reads "Michael Kehoe".

Mike Kehoe
Governor

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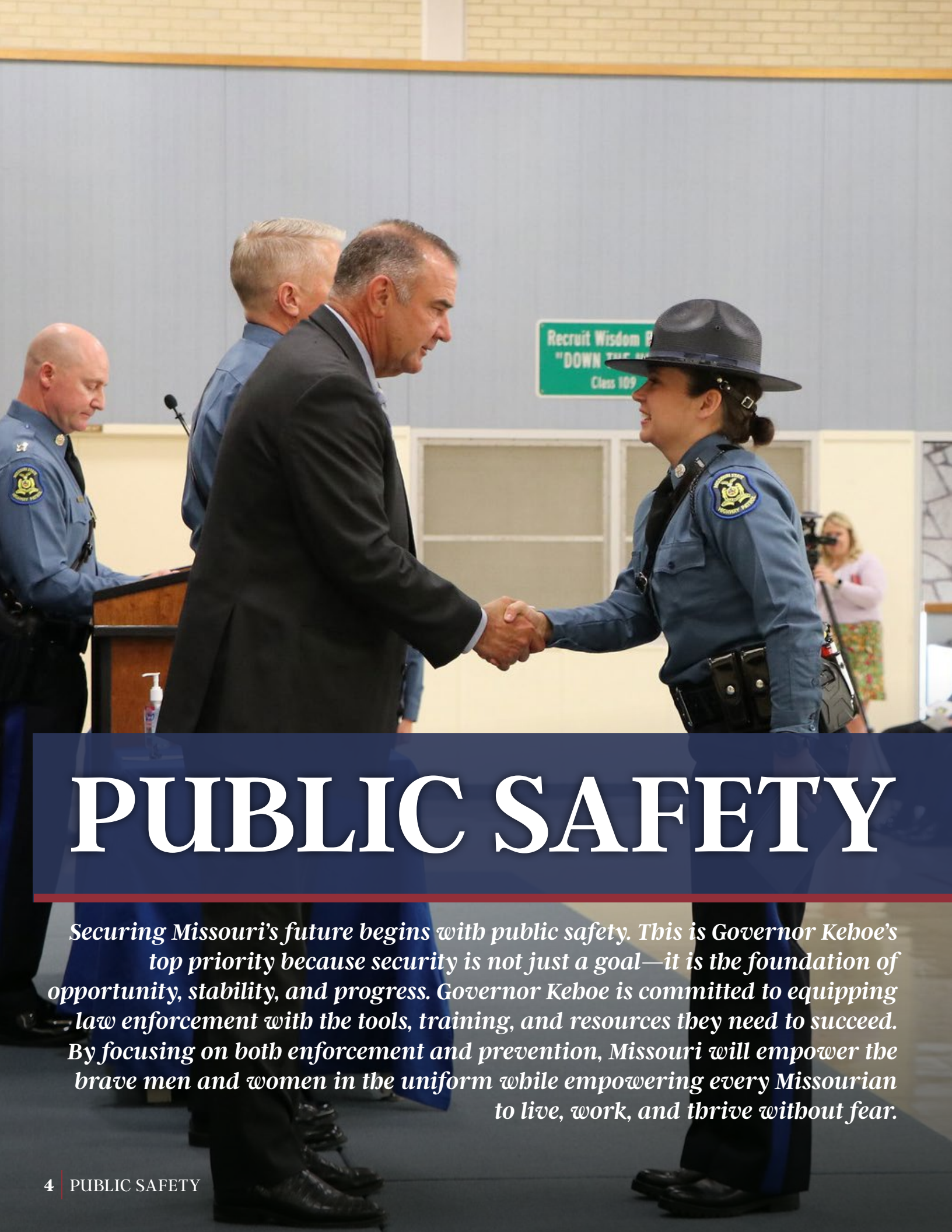


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PUBLIC SAFETY

Securing Missouri's future begins with public safety. This is Governor Kehoe's top priority because security is not just a goal—it is the foundation of opportunity, stability, and progress. Governor Kehoe is committed to equipping law enforcement with the tools, training, and resources they need to succeed. By focusing on both enforcement and prevention, Missouri will empower the brave men and women in the uniform while empowering every Missourian to live, work, and thrive without fear.

New Crime Lab in Highway Patrol Troop E

\$12.8M

Funding to construct a new 20,000 square foot crime lab in Cape Girardeau.

Grants to Blue Shield Police Departments for Training and Equipment

\$10M

A new grant program to support the training and equipment needs of the newly established Blue Shield Program, which recognizes local governments' commitment to public safety within their communities.

Fentanyl Testing of School Wastewater

\$4M

Funding for the testing of school wastewater to identify and address high-use areas of fentanyl for law enforcement.

Support for the Missouri Sheriffs' Retirement System

\$2.5M

Contribution to the Missouri Sheriffs' Retirement System following the Missouri Supreme Court's ruling in *Fowler v. Missouri Sheriffs' Retirement System* to ensure the fund remains solvent.

Support for Victims of Crime

\$25M

State funding to support a loss of federal funding for community-based victim assistance programs and services.



Scholarships for Law Enforcement Academy

\$1M

Funding to deploy 200 more trained law enforcement officers on the street, a fifty percent increase in funding.

Operation Relentless Pursuit

\$1,250,000

Grants to support one deputy sheriff in each of the nine Highway Patrol Troops across the state to coordinate with local law enforcement to take the over 17,000 dangerous individuals with active felony arrest warrants off our streets.

Re-Entry 2030 Initiative

\$500,000

Support for Re-Entry 2030, which assists justice-involved individuals with securing employment upon release with the goal of reducing recidivism.





Day One Actions:

GOVERNOR KEHOE UNVEILS SAFER MISSOURI INITIATIVE

“By standing with the brave officers who protect us every day and implementing strategic, forward-thinking measures, we are working to make Missouri a safer place to live, work and raise a family,” said Governor Kehoe. “In the coming weeks, months, and years, my administration will be relentless in our pursuit to make Missouri a place where it’s easier to be a cop than a criminal.”



As his first official act in office, Governor Mike Kehoe took decisive action to prioritize public safety by signing six executive orders and officially launching his comprehensive *Safer Missouri* public safety initiative.

Developed in close collaboration with law enforcement partners and representatives across all levels of law enforcement within the state, the *Safer Missouri* plan sets the stage for immediate and impactful action. The measures introduced represent the first steps in his comprehensive, multi-phase plan that focuses on reducing crime, supporting law enforcement, and fostering community partnerships to achieve lasting change.

Exercising his constitutional authority, Governor Kehoe enacted the following measures:

Executive Order 25-02 – Operation Relentless Pursuit

Executive Order 25-03 – Blue Shield Program

Executive Order 25-04 – Immigration Enforcement

Executive Order 25-05 – Immigration Status Data Collection

Executive Order 25-06 – MSHP Pay Grid Adjustment

Executive Order 25-07 – Parole Board Rule Refinements

ECONOMIC DEVELOPMENT

Governor Kehoe is committed to driving Missouri's economy forward by investing in initiatives that create jobs, enhance infrastructure, and provide critical support to families and businesses. By addressing critical needs such as rural roads, child care access, and career technical training, these budget priorities foster innovation, strengthen communities, and ensure that Missouri remains a competitive and thriving state for all.



Child Care for Low Income Families

\$161.5M

Funding for the Child Care Subsidy Program, continuing current eligibility levels for families, aligning the payment structure for child care providers with private payors, and strengthening the child care providers that serve this population. This administration is committed to ensuring timely payments to child care providers.

Improvements to Rural Roads

\$60M

Keeping our commitment to improve rural roads in our communities.

FIFA World Cup

\$40.5M

Ensuring that Missouri puts its best foot forward while on the world stage as it hosts the 2026 FIFA World Cup.

Career Centers

\$20M

\$15M in one-time funding to support capital and equipment needs for career centers across the state. An additional \$5M to support the ongoing operations of career centers.

Child Care Innovation Grants

\$10M

Support for child care partnerships between employers, community partners, and child care programs to expand access to child care.

Postsecondary Career Advising

\$1M

An additional \$1M to support dedicated college and career advisors in high schools across the state who will connect students to high-demand career paths and training programs.

AGRICULTURE

Missouri's agriculture industry is the backbone of our economy, feeding and clothing not just our state, but the world. To ensure the continued growth and resilience of this vital sector, Governor Kehoe is committed to investing in critical infrastructure, modernizing facilities, and supporting animal health initiatives.



Bonding for State Fair Facilities

\$4.2M

\$55M in bonding for new livestock facilities to maximize the potential of the new arena in attracting large events to the Missouri State Fair with funds to be paid back over time by a portion of the revenues generated by these facilities.

Missouri Meat and Poultry Inspection Program Team Expansion

\$330,871

Increasing Missouri's inspection and production capacity in the meat and poultry industry. The expansion will aid in minimizing production inspection delays.

Animal Health Disease Control Specialist

\$105,822

Additional support for the prevention of and response to animal disease events in Missouri like Highly Pathogenic Avian Influenza and African Swine Fever.

Growing Missouri: AGRICULTURE STATS AT A GLANCE

- Economic Contribution: \$93.7 Billion Ag Industry
- Missouri agriculture employs nearly 460,000 people
- Missouri agriculture canvasses 27 million acres of farmland
- Missouri is home to 87,887 farms
- Missouri's National Rankings:

Farms — 2nd

Goats — 2nd

Beef Cows — 3rd

Rice — 4th

Cotton — 4th

Turkeys — 5th

Soybeans — 7th

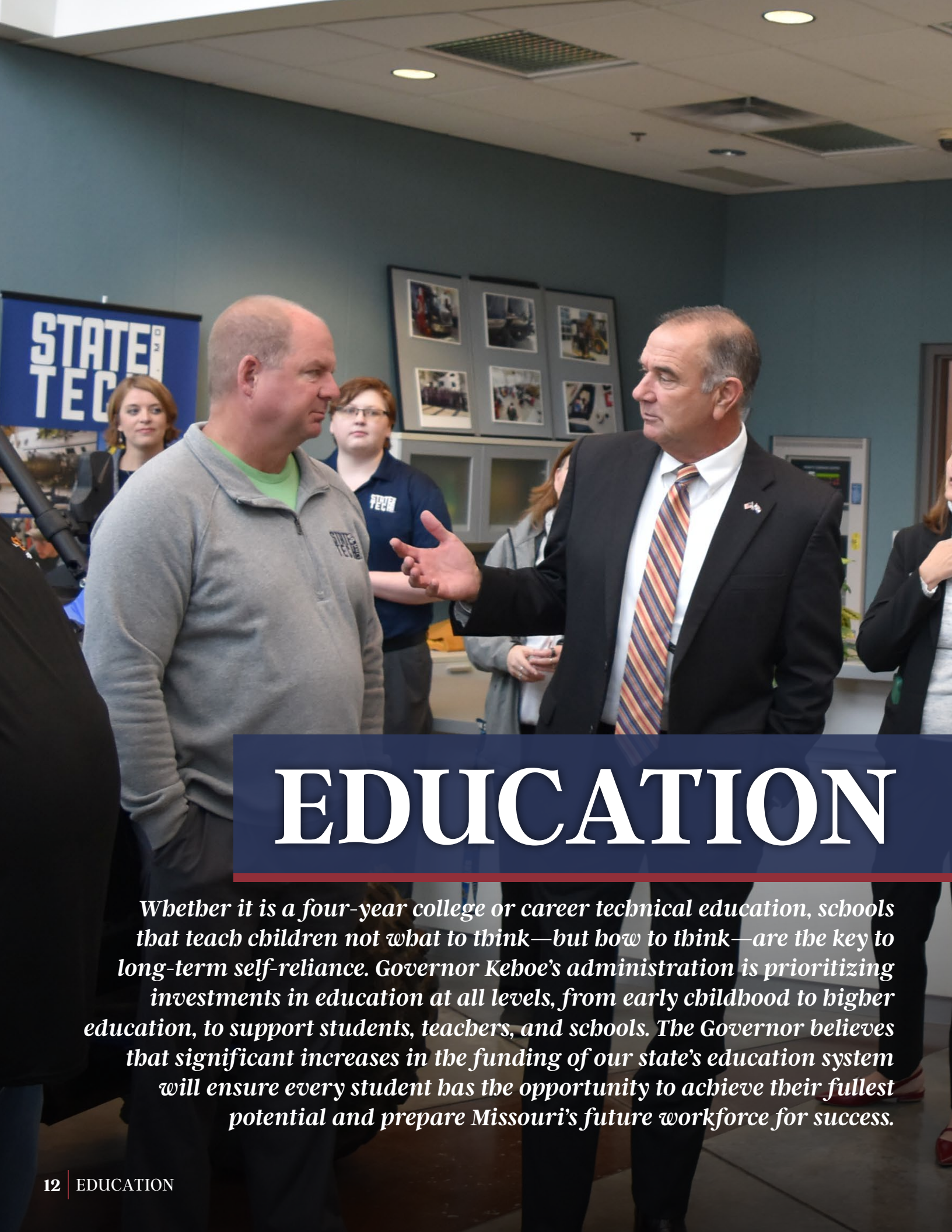
Hogs — 7th

Broiler Chickens — 7th

Hay — 8th

Corn — 9th

Horses & Ponies — 10th



EDUCATION

Whether it is a four-year college or career technical education, schools that teach children not what to think—but how to think—are the key to long-term self-reliance. Governor Kehoe’s administration is prioritizing investments in education at all levels, from early childhood to higher education, to support students, teachers, and schools. The Governor believes that significant increases in the funding of our state’s education system will ensure every student has the opportunity to achieve their fullest potential and prepare Missouri’s future workforce for success.

K-12 Education

\$4.0B

State funding to support K-12 public school districts and charter schools. This includes \$200 million in new funding to support the foundation formula. This is the largest single-year increase since the current formula was established in 2005.

School Transportation

\$376.6M

Supports the state's full reimbursement of transportation costs to school districts, including \$15M in new funding.

State Funding for the Empowerment Scholarship Account Program

\$50M

Previously only funded through tax credits, this investment will ensure more Missouri families have access to education options that best meet the needs of their children.

Teacher Baseline Salaries

\$33.4M

Funding to ensure all teachers are paid at least the statutory minimum, as included in SB 727 (2024).

Small Schools Grant

\$30M

Support for small schools, as provided for in SB 727 (2024), including \$15M in new funding. These grants support approximately 200 school districts across the state.

Increase for Higher Education Institutions

\$16.8M

A 1.5% increase for all four-year public universities, community colleges, and State Technical College of Missouri.

Capital Improvements to Charter Schools

\$7M

Funding for the state revolving loan fund supporting charter school capital improvement needs, including \$5M in additional funding.

Fast Track Scholarships

\$6.7M

Expanding scholarships for working adults returning to school for programs in high demand fields, including \$2M in additional funding.

HEALTHCARE & MENTAL HEALTH

From increasing funding for behavioral health facilities and crisis hotlines to providing critical services for children with disabilities and complex medical needs, these investments reflect a comprehensive approach to improving the health and resilience of all Missourians. Governor Kehoe is dedicated to expanding support for individuals with developmental and behavioral health needs, strengthening crisis intervention programs, and ensuring resources are available for Missouri's most vulnerable populations.



Treatment and Support for Developmental Disabilities

\$149M

Providing MO HealthNet waiver services for 3,700 new individuals with developmental disabilities in need of residential services and in-home support to eliminate current and future waitlists.

Behavioral Health Residential and In-Home Support Needs

\$71.6M

Providing MO HealthNet behavioral health services for an additional 2,102 adults and 6,734 children in need of residential services and in-home support.

First Steps

\$17.9M

Continued support to children ages birth to three with disabilities or delays. Services include assistive technology, therapy, counseling, and medical services.

Alternatives to Abortion

\$4M

A greater than 50% increase to current funding to support services, counseling, and adoption assistance for pregnant women across the state.

988 Suicide and Crisis Lifeline

\$3.9M

Continued operations of the state suicide and crisis lifeline. The 988 hotline provides critical support to Missourians facing crises.

Community Behavioral Health Liaisons

\$3.75M

An additional 30 community behavioral health liaisons, which assist law enforcement in connecting individuals to the appropriate legal and mental health systems and services.

Behavioral Health Crisis Centers

\$2M

Ongoing operations for 5 new behavioral health crisis centers, providing critical alternatives to emergency rooms and freeing law enforcement to focus on community needs.

Prescribed Pediatric Extended Care

\$115,504

Implementing a program supporting childcare for children with complex medical needs, as established in SB 1111 (2024).



VETERANS & MILITARY SERVICES

Missouri's veterans have dedicated their lives to serving our country, and Governor Keboe is committed to honoring their sacrifices by ensuring they have access to the resources and support they need. This budget prioritizes investments in programs that enhance veterans' healthcare, expand career opportunities, and provide critical assistance for mental health and housing. By focusing on initiatives that empower veterans to thrive in their communities, we reaffirm our commitment to those who have served and their families.

Support for Veterans Homes

\$10M

Funding to support quality care for our veterans.

Nurse Call Systems in State Veterans Homes

\$7.3M

Replacement for outdated nurse call systems in state veterans homes.

Electronic Health Records System for State Veterans Homes

\$1.43M

Investing in a cloud-based electronic health records system for state veterans homes that contains emergency backup server coverage.



GOVERNMENT IMPROVEMENTS

Governor Kehoe believes that delivering effective and efficient services to Missourians requires a strong foundation in state operations. His administration is focused on modernizing government infrastructure, enhancing the state workforce, and improving service delivery. These efforts reflect a commitment to making state government responsive, reliable, and better equipped to meet the needs of Missouri's citizens.

Investments in the State Workforce

\$129.9M

Funding to support a one percent salary increase for every two years of service, up to ten percent for all state employees. State employees working in 24/7 facilities that already have this time of service pay plan will get a one percent cost of living adjustment.

Customer Service Enhancements for Family Support Division

\$6.3M

Various enhancements to the information technology infrastructure of the Family Support Division to ensure individuals receive assistance as timely as possible and applications are processed as quickly as possible.

State Child Abuse and Neglect Hotline

\$719,995

Additional support for the state child abuse and neglect hotline to reduce average call handling times and improve customer service.

“So, building on the strong foundation built by the work of those before me, I will never forget where I came from. And, together, we will secure Missouri’s future for the generations to come.”

Michael Kahoe

